

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

SACRAMENTO, CA 95814

(916) 445-1912



May 15, 1981

To: All County Welfare Directors

Letter No. 81-22

JULY 1981 COST-OF-LIVING (COL) INCREASES

This is the first in a series of letters which will provide you with instructions regarding implementation of 1981 COL increases in Medi-Cal-only share-of-cost (SOC) determinations.

Information contained in this letter relates to Title II (OASDI) increases and Medicare premium increases. At this point this information should be implemented in long-term care (LTC) cases which do not include allocations to family members at home nor include the ABD-MN spouse at home in the MFBU because LTC status has not yet lasted six months.

We anticipate that we will be able to forward you more information on COL increases shortly.

Title II and Medicare Premium Increases

The Social Security Administration (SSA) has advised us that the COL increase for Title II (OASDI) benefits is 11.2 percent. This percentage increase applies across the board to all but a few Title II beneficiaries. Therefore, in all Medi-Cal-only cases with Title II income, the current benefit amount should be multiplied by 1.112 to compute the new benefit amount. Any cents remaining should be raised to the next highest increment of \$.10. This will produce the Title II amount to be used in the July 1981 SOC determination. (Example: Current benefit amount is \$185.20; multiplying 1.112 equals \$205.94; raising to the next highest increment of \$.10 produces \$206.00 as the July 1981 benefit amount.)

The Medicare Part B premium is \$11.00 effective July 1981.

For continuing LTC cases described above these increases must be in place in sufficient time for the Notice of Action to be mailed no later than June 20, 1981. If at all possible, the Notice of Action should advise the beneficiary to contact the eligibility worker if the amount of Title II income used is different from the amount actually received in the July 1981 check.

The July 1981 Bendex report which you will receive in late June 1981 should be used to verify the July 1981 change in benefit amounts. Contact with SSA district offices (using form SSA 1610) should not be routinely used for this purpose.

All County Welfare Directors

-2-

If you have any questions contact your Medi-Cal Program Consultant.

Sincerely,

Original signed by

Barbara V. Carr for
Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: November 30, 1981